‘EXAMINING THE DYNAMICS OF FINANCIAL INCLUSIVENESS: A COMPERATIVE ANALYSIS OF RURAL AND URBAN SETTLEMENTS IN LATUR DISTRICT FROM MARATHWADA REGION’

RESEARCH PROPOSAL FOR DOCTOR OF PHILOSOPHY (PH.D.)

IN ECONOMICS

UNDER THE FACULTY OF HUMANITIES

SUBMITTED TO

SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED

BY

MR. DHAIRYASHIL HANMANT MASKE

UNDER THE GUIDANCE OF

DR. SAGAR S. KONDEKAR

SCHOOL OF SOCIAL SCIENCES

S.R.T.M. UNIVERSITY, SUB-CENTER, LATUR

RESEARCH CENTRE

SCHOOL OF SOCIAL SCIENCES

S.R.T.M. UNIVERSITY, SUB-CENTER, LATUR

Background of Study:

Financial inclusion is very crucial tool for development of poor people. It becomes important tool to achieve inclusive growth. Financial tools like Insurance, Banking, Credit access, ATM, Digital banking are instrumental in reducing poverty. India has 140.76 crores population. But majority of the population still lacks access to finance. So it becomes challenge for government. Financial inclusion helps poor people to participate in economic growth.

Latur is one of backward district among Marathwada region and is known for its rich history. Latur is home to various educational institutions that offer programs in various discipline. The region has seen industrial growth. Its economy primarily depends upon agriculture. Agriculture is affected by nature. Studying financial dynamics in the Rural-Urban settlements in Latur district can offer a unique and enriching academic experience. Dynamics of the region can provide insights into the challenges and opportunities associated with the financial aspects. Understanding how financial systems operate in this region is crucial to uplift poor section of the society. Investigate the impact of government policies, especially those related to financial inclusiveness in the Latur. This could include policies aimed at promoting entrepreneurship, investment, and inclusive growth. By delving into these aspects, we can build a comprehensive background for studying financial inclusion in the Latur district.

Review of Literature

Mr. N Ramu (2010) in his paper titled "Financial exclusion: Need for financial inclusion" has found that financial inclusion helps the society in two ways. Firstly it helps to boost economic growth and 2) Due to stability society will function well.

Mr Ram A Cnaan, Mr M.S Moodithaya, Ms. Femida Handy (2012) in their research article found that financial inclusion helped poor people. It encouraged poor people to save more, borrow at lower cost, gain productivity. Study also found that government has little information about factor impacting financial inclusions.

Mr. Shanana Khan (2013) in his article named" Role of banks in promoting Financial inclusion in India" has found that there is lack of coordination among RBI,Banks,and governments. Need to develop new banking products to tap opportunities in Rural-Urban settlements in India.

Ms. Pallavi Gupta and Mr. Bharti Singh (2013) in their research article titled "Role of Literacy level in financial inclusion in India: Empirical Evidence" have found that to includes weaker section of the society in financial inclusion focus on behavioral factor. Studies also found that literacy factor didn't helps to achieve financial inclusion .In short behavioral factor needs to be addressed.

K. N. USHA (2018) have pointed that financial inclusion helps weaker section to reduce financial burden .Tools such as saving account, credit access, infrastructure helped in gaining productivity.

Mr. Ardhenu Shekar Singh, Dr. Bhama Venkataramani and Dr. Dilip Ambarkhane(2013), Mr Gadamsetty Sai Arun (2013), Ms. V. R. Jagtap (2014), Mr. M Shahul Hameedu (2014) and few others have worked on issues related to financial inclusion**.**

The Gap in Previous Literature

There is no ground level investigation on this topic. Few studies have done to investigate financial inclusion in Rural-Urban settlement in India. The present research tries filling this gap and conduct research in Rural-Urban settlements in Latur district in Marathwada region. The present study is an attempt to find the answer to financial inclusion in Rural-urban settlements in Latur district in Marathwada region.

Importance of study

Latur district lacks availability of natural resources and capital investment. Farming is the main occupation in the region. It is totally depends upon nature. A financial inclusion study in the Latur district in Marathwada region is necessary to understand the existing challenges, identify opportunities for improvement, and inform the development of targeted policies and initiatives that can contribute to the region's overall economic and social development**.**

Statement of research problem

This investigation try to find out following research question: Is there any significant difference among Rural-Urban settlement about financial inclusion in Latur district? And if yes, then what factors are responsible for it? To find out this research problem present study laid down following objectives.

Objectives

- To explore the availability and accessibility of financial services among Rural-Urban settlements in Latur District.
- Examining the present status of financial inclusiveness among Rural-Urban settlements in Latur District.
- To measure the effectiveness of government measures on financial inclusiveness among Rural-Urban settlements in Latur District.
- To investigate inequalities related to financial inclusiveness among Rural-Urban settlements in Latur District.

Hypothesis

The major hypothesis of the study is as follows:

There is no significant difference related to financial inclusion among Rural-Urban settlements in Latur District.

To assess the above hypothesis study proposes the following null hypothesis:

Null Hypothesis 1: There is no significant difference in accessibility of financial services among Rural-Urban settlements in Latur District.

Null Hypothesis 2: There is no significant difference in the availability of financial services among Rural-Urban settlements in Latur District.

Null Hypothesis 3: There is no significant difference related to effectiveness of government measures on financial inclusion among Rural-Urban settlements in Latur District..

Null Hypothesis 4: There is no significant difference related to financial inclusion inequalities among Rural-Urban settlements in Latur District..

Proposed Test:

To test the hypothesis, the present study will use chi square test, t-stat, and ANOVA test.

Operational Definitions

Financial Inclusiveness:

Financial inclusion means that financial services and products easily accessible, available, and affordable to backward section of the society**.**

Rural-Urban:

Rural Area: All other area which is not urban.

Urban Areas: Urban areas include statutory towns and Census towns.

a) Statutory Towns: Town Panchayat, Municipal Corporation, Municipality, Nagarpalika, Cantonment Board, Notified Town Area Committee.

b) Census Towns: Following criteria must satisfy to treat as Census Towns:

i) Population must be less <= 5,000 persons;

ii) Non-agricultural male working population should be at least 75%.

iii) Density of population of at least 400 persons per sq. km.

c) City: Categorized as cities if Towns with population of 1, 00,000 and above.

Variables of the study

Present study propose to emphasis on following variables, namely accessibility to banking services, availability to banking services, Government initiative, insurance coverage, digital financial services, access to credit, infrastructure, gender inclusion, Rural-Urban disparities etc.

Research Methodology

The present probe will be analytical in nature. This is an effort to thoroughly analyze and examine the dynamics of financial inclusiveness in Rural-Urban settlements in Latur district in Marathwada region.

Proposed Populations and sample size of the study:

Sample size for the study is determined using statistical analysis requirements sample size specification formula.

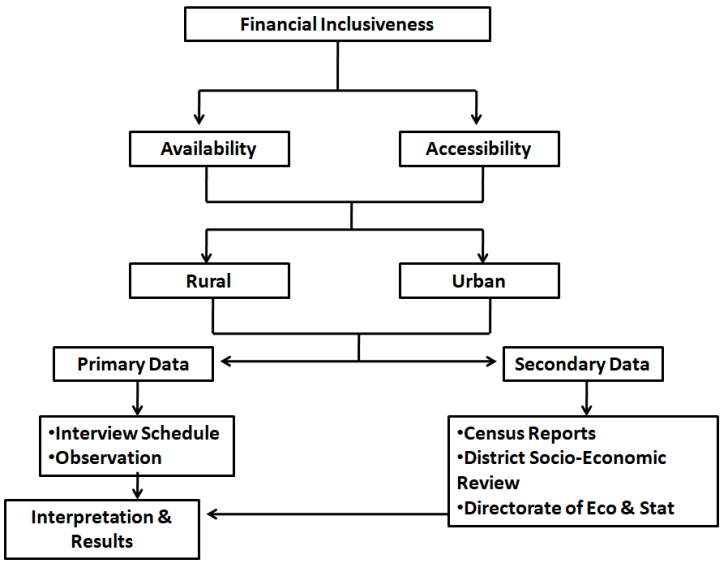
$$n = \frac{z^2 \times \frac{p(1-p)}{c^2}}{1 + \left(z^2 \times \frac{p(1-p)}{c^2 \times N}\right)}$$

Table 1.1: Population and sample of household in Latur district.

Particular	**Population**	**Sample**
Urban Household	118163	94
Rural Household	363409	290
Total	481572	384

Source: District Census Handbooks

Research Design:



Research design is composed of Rural-Urban settlements. Proposed study will collect primary and secondary data from various sources such as personal interviews, observation, Govt. Sources, Library, Internet, books, Household, National informatics Center, Directorate of Eco.& statistics, Direct census collected data will be processed through SPPS software.

Limitations of Study

There are 8 districts in Marathwada region. Proposed study will be limited to Latur district only. Topic is broad and complex. Results will be limited to Rural-Urban settlements in Latur district in Marathwada region.

Proposed Chapter Scheme

To explain and attain the results on the objectives, present study is divided into five chapters.

Chapter One: Introduction

First chapter will focus on the background of the study, need of the study, significance of the study, research question that need to be addressed during the course of study, the objectives and hypothesis of the study. The chapter will also introduce the type of research design and methodology involved for the present study. In addition, limitations and the organization of the study will be stated.

Chapter Two: Review of Literature

The second chapter will be dedicated to review of literature focusing on different studies undertaken on the problem of financial inclusion. This chapter will also explicate the need of the present study in context of previous studies completed by the scholars.

Chapter Three: Profile of Latur Region

A brief profile of Latur district and their background, regional setting, spatial expansion, demographic features, and socio-economic characteristics will be provided in this chapter.

Chapter Four:

This chapter will investigate financial inclusion among Rural-Urban Settlements in Latur district in Marathwada region. Chapter will probe financial inclusiveness in general and interpret the data collected from primary sources and from secondary sources. This chapter will investigate various variables about financial inclusiveness among the Rural-Urban settlements in Latur district and factors responsible for the same.

Chapter Five: Findings and Conclusions

The Five chapter will provide a conclusive discourse of the study and major suggestions based on the findings. Justifying answer to the research question formulated in the beginning of the study/thesis and further scope of research in this or allied areas will be provided in the chapter.

.

References:

Books

Karmaker K.G, Banerjee G.D, Mohapatra N.P (2011); Towards Financial Inclusion in India, Sage Publications Pvt. Ltd. ISBN 8132105842

Journals and Reports

Annu, R (2013), An empirical analysis for financial inclusion in India: a case study of Tamil Nadu, University of Madras, 2013

Bhandari Amit K (2009); Access to Banking Services and Poverty Reduction: A State- Wise Assessment in India, IZA Discussion Paper No 4132, Social Science Research Network ID number 1395079

FICCI (2011); Promoting financial inclusion in India, FICCI and UNDP paper, 2011

Radcliff, Daniel and Rodger Voorhies (2012); A digital pathway to Financial Inclusion, SSRN number 2186926 available at https://dx.doi.org/10.2139/ssrn.2186926

Ravichandran, Dr Krishnamurthy and Alkhathlan, Dr Khalid (2009): Financial Inclusion- A path towards India's Future Economic Growth, Social Science Research Network, and ID number 1353125.

Sharma Priyanka (2014), A study on the impact of financial inclusion in rural development, Prestige Institute of Management and Research, Devi Ahilya Vishwa Vidyalaya, MP.

Websites

Census (2011), Census Of India, www.censusindia.gov.in, population enumeration tables

Pradhanmantri Jhan Dhan Yojna Progress report (2019), https://pmjdy.gov.in/account-

https://www.census2011.co.in/census/district/362-latur.html

Research Scholar

Mr. Dhairyashil H. Maske

Research Guide

Dr. Sagar S. Kondekar